ORDER NO. 4720

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners: Robert G. Taub, Chairman;
                                               Tony Hammond, Vice Chairman;
                                               Mark Acton; and
                                               Nanci E. Langley

Competitive Product Prices   Docket No. CP2017-183
Global Reseller Expedited Package Services 2
(MC2013-51)
Negotiated Service Agreements

ORDER APPROVING MODIFICATION THREE TO
GLOBAL RESELLER EXPEDITED PACKAGE SERVICES 2 NEGOTIATED SERVICE
AGREEMENT AND DENYING AS MOOT MOTION FOR TEMPORARY RELIEF

(Issued July 19, 2018)

I.   INTRODUCTION

The Postal Service seeks to modify a Global Reseller Expedited Package
Services 2 negotiated service agreement.[1] For the reasons discussed below, the
Commission approves the Modification.

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[1] Motion of the United States Postal Service for Temporary Relief and Notice of the United States
Postal Service of Filing Modification Three to a Global Reseller Expedited Package 2 Negotiated Service
Agreement, July 18, 2018 (Notice). The modification is an attachment to the Notice (Modification).

In Order No. 3903, the Commission approved the Global Reseller Expedited Package Services 2 negotiated service agreement (Existing Agreement).[2] On July 18, 2018, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

II.   COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

Cost considerations. The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement is set to expire July 31, 2018.[3] The Modification revises the expiration date of the contract to August 31, 2018. Notice at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

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[2] Order Approving Additional Global Reseller Expedited Package Services 2 Negotiated Service Agreement, May 18, 2017 (Order No. 3903). The contract was later modified. *See* Order Approving Modification to Agreement and Denying as Moot Motion for Temporary Relief, May 26, 2017 (Order No. 3919); Order Approving Modification Two to Global Reseller Expedited Package Services 2 Negotiated Service Agreement, May 15, 2018 (Order No. 4607).

[3] *See* Order No. 3903 at 7 (setting original expiration date as May 31, 2018); Order No. 4607 at 3 (revising expiration date to July 31, 2018).

Other considerations. The Existing Agreement, as modified, is set to expire August 31, 2018. *Id.*

If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the Motion for Temporary Relief is denied as moot.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission approves the Global Reseller Expedited Package Services 2 negotiated service agreement, as modified.

2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, August 31, 2018.

3. The Postal Service's Motion for Temporary Relief is denied as moot.

By the Commission.

Stacy L. Ruble
Secretary